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January 16, 2015

VIA ECF

Hon. Andrew L. Carter
U.S. District Court Judge
U.S. District Court for the Southern District
of New York
40 Foley Square, Room 435
New York, NY 10007

Re: *Philadelphia Indemnity Insurance Co. v. SC Academy Holdings, et al.*; 1:14-cv-07025

Plaintiff's Response to Defendants' January 13, 2015 Letter

Dear Judge Carter:

We represent Plaintiff, Philadelphia Indemnity Insurance Company ("Philadelphia"), in the subject insurance coverage action. We write with respect to counsel for Defendants' January 13, 2015 letter (ECF Document No. 28).

The parties have had a *de facto* standstill agreement in place with respect to both this action and the New Jersey Superior Court insurance coverage action in place pending Your Honor's ruling on the Defendants' Motion to Dismiss. That remains unchanged.

At an October 24, 2014 appearance in the New Jersey action, Judge Robert G. Millenky took the position that he would not decide whether to retain jurisdiction until this Court ruled on the Motion to Dismiss (*see* ECF Document No. 19-1, Pages 18 of 22 to 21 of 22). The motion counsel refers to is Defendants' Motion for Partial Summary Judgment on Count IV of the First Amended Complaint. That motion was a legacy motion filed in the New Jersey coverage action by Defendants herein on October 7, 2014, *prior* to Philadelphia appearing in that action. The motion was adjourned once, but ultimately argued and decided on December 19, 2014. Judge

MARSHALL CONWAY & BRADLEY, P.C.

Hon. Andrew L. Carter

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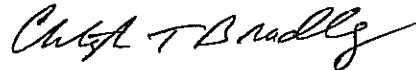
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Millenky has not otherwise changed his position as stated during the appearance on October 24, 2014.

Importantly, Plaintiff herein has sought no affirmative relief in the New Jersey coverage action since the October 24, 2014 appearance where it sought to have that action dismissed or stayed and its time to answer the action extended until this Court ruled on Defendants' Motion to Dismiss.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Chris T. Bradley", written in a cursive style.

Christopher T. Bradley

cc: John W. Schryber, Esq.
Martin J. O'Leary, Esq.